

Monthly Market Report

FreightPlus' Monthly Market Update, created by FreightPlus subject matter experts, provides detailed and actionable insights into the ever-changing transportation industry. A core FreightPlus principle is providing our partners with data and insights to enable better, strategic business decisions.

About FreightPlus

FreightPlus is an industry provider of data-driven transportation management, offering businesses customized and fully tailored managed transportation solutions in a boutique environment where clients get the individual attention they deserve. FreightPlus combines first class customer service with innovative technology and industry best practices to help mid-size and growing companies work efficiently in the \$800B domestic transportation market. FreightPlus aims to ***simplify complex logistics together.***

What is Managed Transportation?

Managed Trans (MTS) is a partnership where shippers improve their logistics and supply chains through increased operational efficiencies, lower logistics network and organizational costs, and improved communication with all supply chain stakeholders.



STRATEGIC CAPACITY

- Multi-modal solutions
- Cost Savings
- Domestic and International Solutions
- Carrier Negotiations
- Carrier Vetting
- Risk mitigation



INTEGRATED TECHNOLOGY

- Real-time Shipment Tracking
- Streamlined Operations
- Cloud-based TMS
- Cost to Implement
- SAP, NetSuite, Dynamics, AS400



CUSTOMIZED BUSINESS INTELLIGENCE

- Customer Insights
- Product Insights
- Market Insights
- Supplier Score carding
- Data Availability

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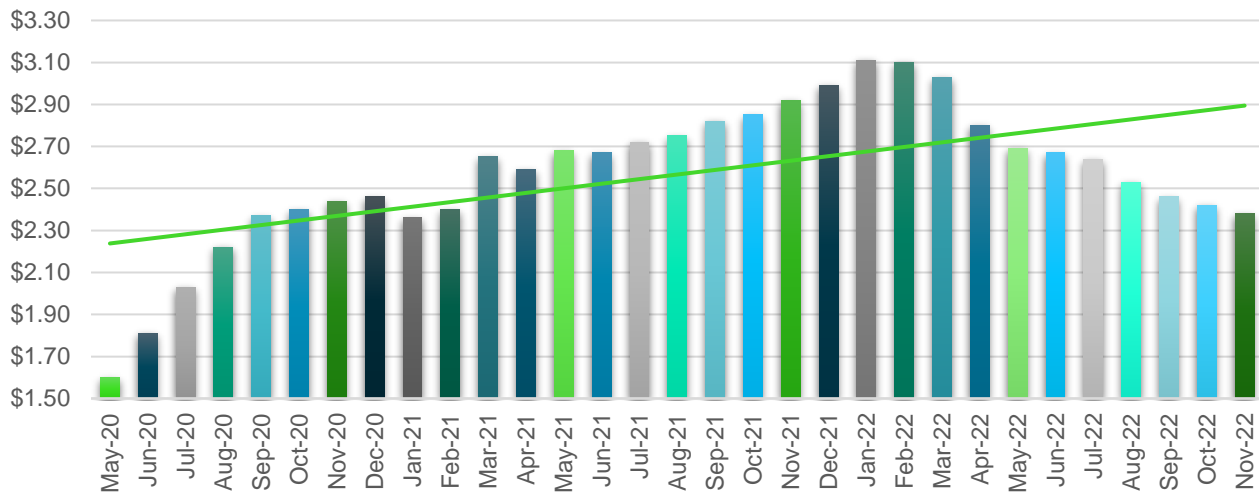
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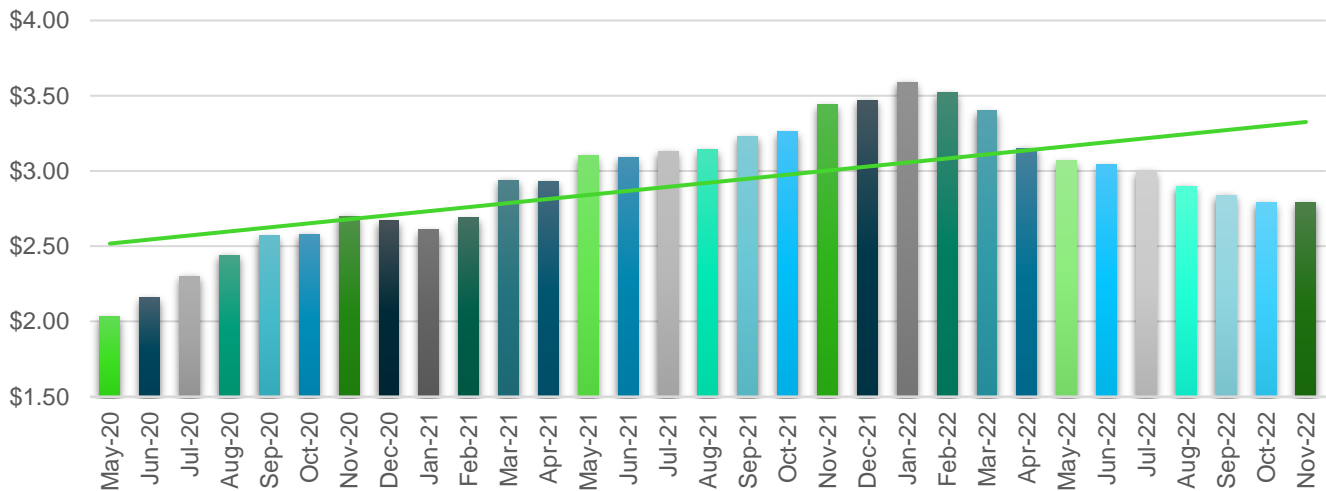
TRUCKLOAD

The dry van market rates showed a small decrease (-1.7%) as volumes continued to drop with a 10.9% drop into OTVI from October to November. We saw a corresponding increase in route guide adherence with rejection rates decreasing from 4.75% to 4.31%. This remains in stark contrast to last year when rejection rates were at 19.90%.

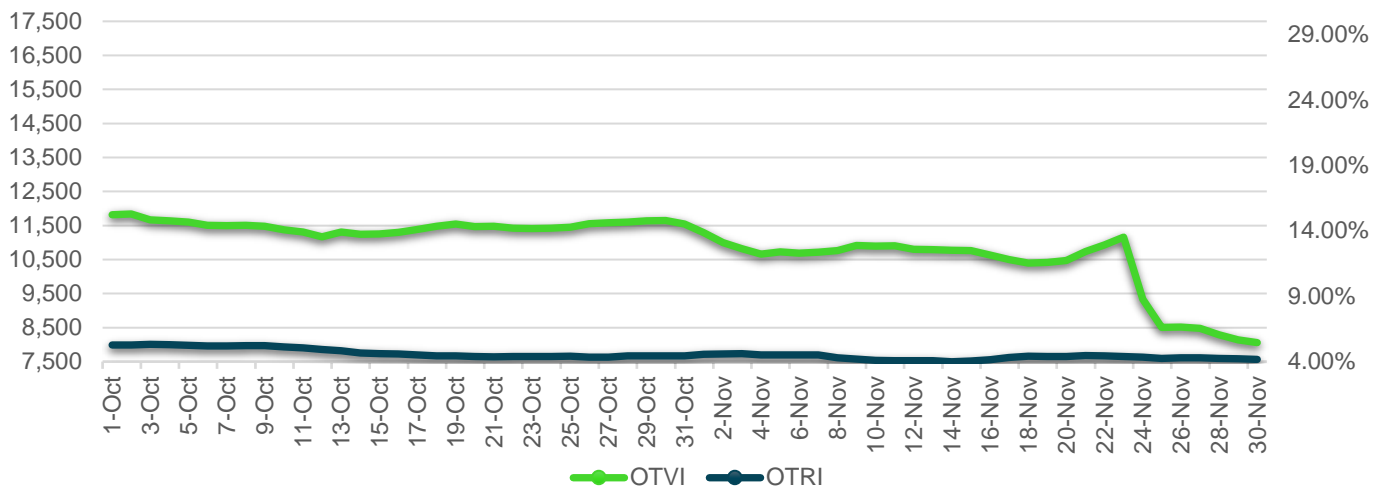
National Average Cost Per Mile - Dry Van



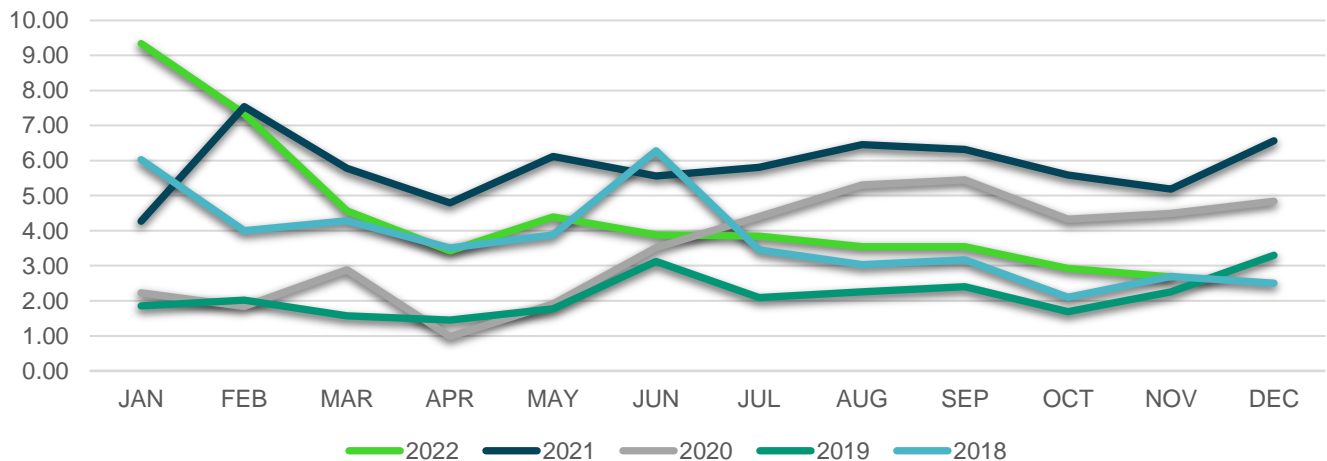
National Average Cost Per Mile - Reefer



Combined OTVI & OTRI OCT & NOV 2022



National Dry Van Load to Truck Ratio

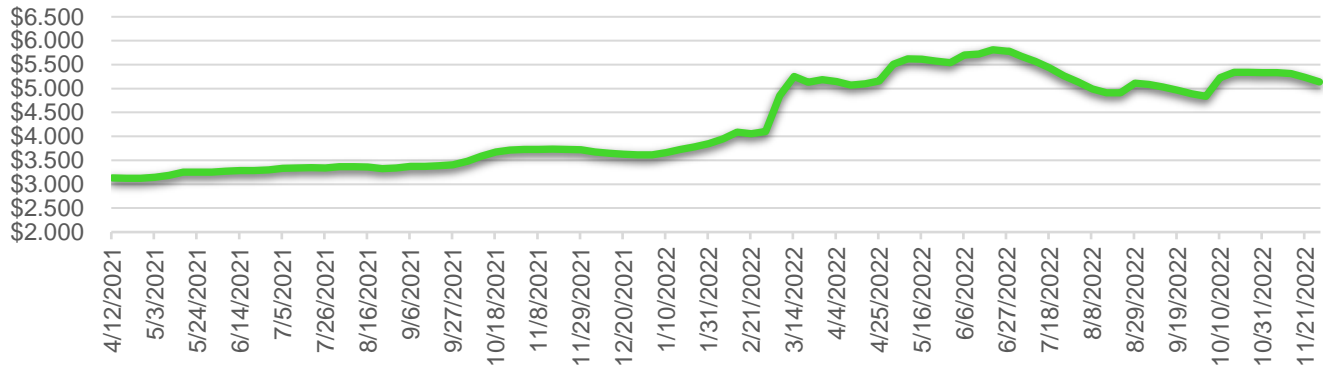


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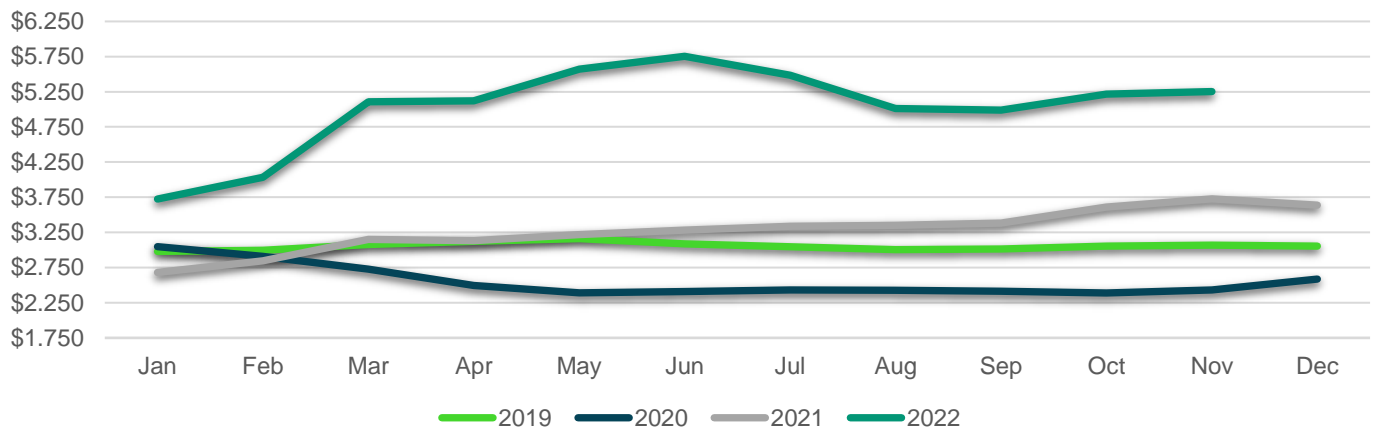
FUEL

Fuel is up slightly from October, but it began to fall as the month carried on. Fuel costs continue to decrease into December as a result of weakening demand for oil and fears of recession loom.

National Avg. On-Highway Diesel Fuel Prices



Monthly National Avg. On-Highway Diesel Fuel Prices

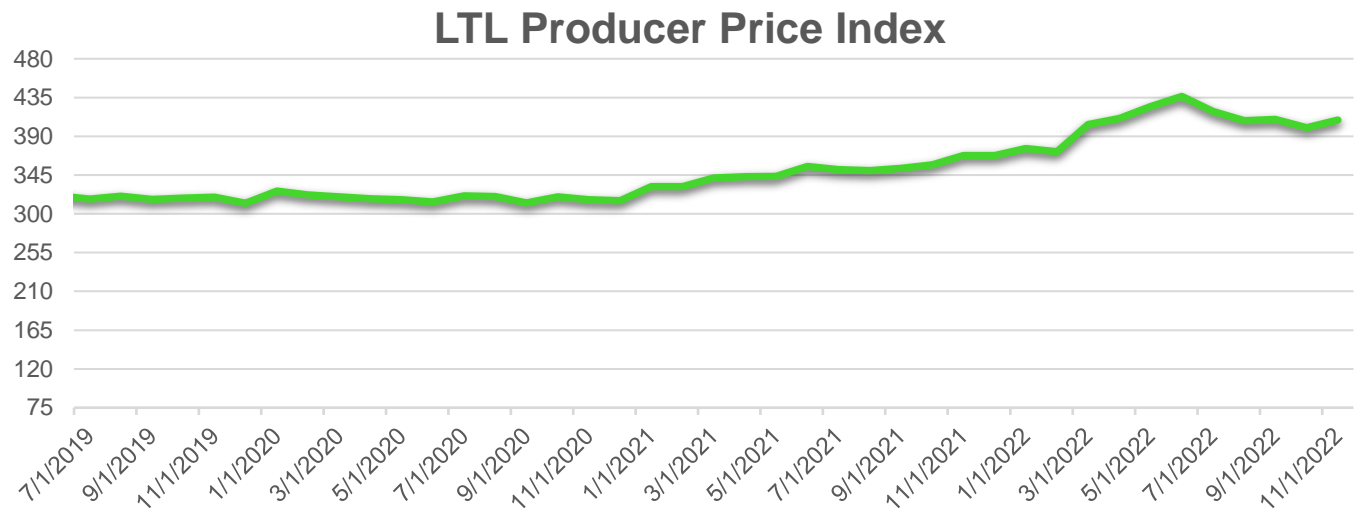


LTL

As the LTL market approaches what is consistently the slowest time of the calendar year for our industry, FreightPlus is seeing signs of economic uncertainty that will likely cause Q1 and Q2 in 2023 to continue the same trend.

The November 2022 LTL PPI (see chart below) did rise somewhat from the previous October level. This was likely due to the last surge in retail to move holiday goods into position.

Carriers are reporting that the level of LTL RFP activity is quite high, especially after many shippers and 3PL's have held off going out to the market for the last two years or more.



Bob Costello, with the ATA, predicts that the US will see a “short and shallow” recession early next year. While many carriers will be very careful to accurately price business that keeps their equipment moving while not eroding their margins built over the last several years, they are somewhat insulated from this downturn as well given that their ability to add more capacity in 2020 and 2021 was muted by the availability of equipment to buy and terminals to build. Had those resources been more plentiful then, coupled with the revenue and cash that LTL carriers were pulling in, they likely would have more empty capacity now to fill with freight.

Several LTL carriers are announcing General Rate Increases (GRI's) coming in the next month – and others have taken them already in November or December.

We are looking forward to further impacting the LTL market in 2023! Stay tuned to hear how FreightPlus is simplifying and evolving the grocery side of the business – along with a specific program around hauling Alcohol in the LTL market. Lastly, FreightPlus is actively creating an elevated LTL program similar to how Prime revolutionized the parcel delivery side.

INTERMODAL

November was the worst month for IMDL in seven years according to IANA. Volumes dipped to their lowest level in November, a cold reality for intermodal providers that will give shippers leverage in contract rate negotiations for 2023.

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The soft market has caught the attention of the UP (Union Pacific Railroad), which will reduce contract rates 3.3% for the 12 months beginning on February 1st. The IANA reported 725,398 containers and trailers were moved last month, down from 780,448 units in November 2021. Domestic intermodal volumes have fallen sequentially eight out of 11 months this year, and six out of the last eight months.

This pressure is felt amongst all railways from the UP to the CSX, according to the JOC. If truckload contracts were to fall 8% from November levels, and CSX or NS raised intermodal contracts 2% simultaneously, then rail would save less than \$200 per container on trips between Atlanta and Chicago in both directions (two of the largest logistic hubs in America.)

The House of Representatives passed a bill on Wednesday, November 30th that plans to avert a crippling rail strike by forcing all unions to accept the terms of a tentative contract agreement brokered 290 – 137. While some rank-and-file members have expressed their desire to strike, observers and stakeholders have said leaders of both the unions and the railroads don't wish for the situation to get to the point where Congress must intervene. While major rail shipper associations have universally supported the [resolution to avert the strike](#), none took a position in their statements on the companion bill on [short-term sick pay benefits](#).

OCEAN

VESSELS AT ANCHOR

Vessels at Anchor as of December 7, 2022	
LA/LB	3 vessels at anchor / drift
Oakland	3 vessels at anchor / drift
Vancouver	2 vessels at anchor / drift
Seattle/Tacoma	0 vessels at anchor / drift
Charleston	2 vessels at anchor / drift
Savannah	18 vessels at anchor / drift
NYC/NJ	2 vessels at anchor / drift
Houston	12 vessels at anchor / drift
Norfolk	9 vessels at anchor / drift

Congestion has slimmed down and West Coast ports are operating smoothly. Back-to-back service arrivals, as well as terminal expansion are the key factors regarding congestion in Savannah. Delays in Houston are due to labor restrictions and vessel bunching. There is crane maintenance going on in all berths at the Port of Norfolk, which has caused minor delays and increased dwell time.

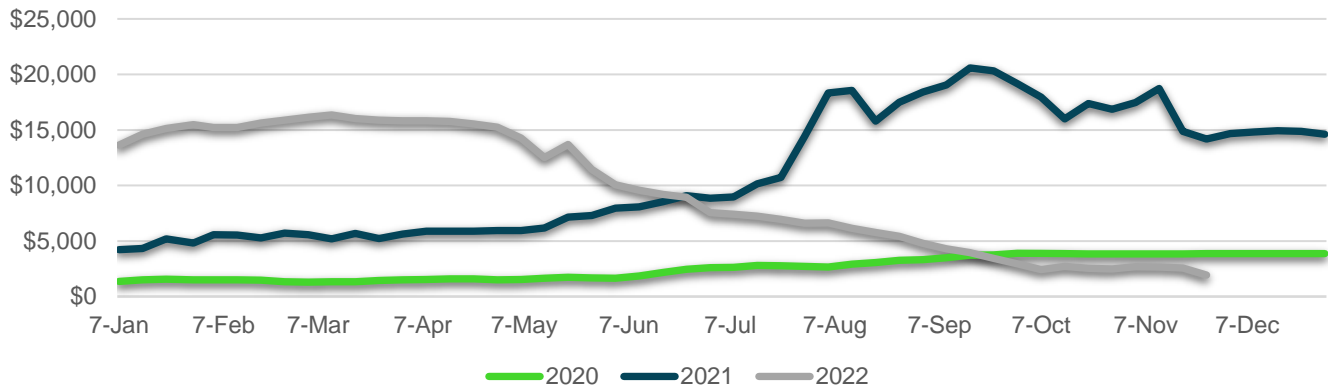
In the ocean freight market, rates and volume are continuing to fall from COVID-19 induced highs, especially in transpacific trade. Blank sailing from carriers is expected to continue as we roll into the holidays and new year. Carriers have blank sailed a considerable amount already this year, and the

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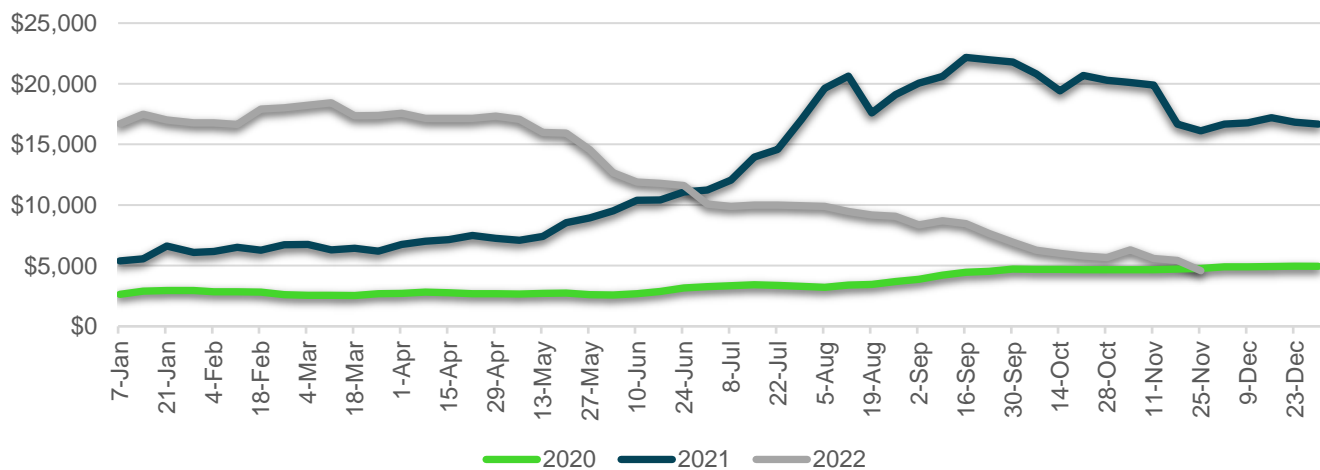
continuation of these capacity adjustments may induce a so-called “rate war” when contractual freight rate negotiations begin.

FBX INDEX

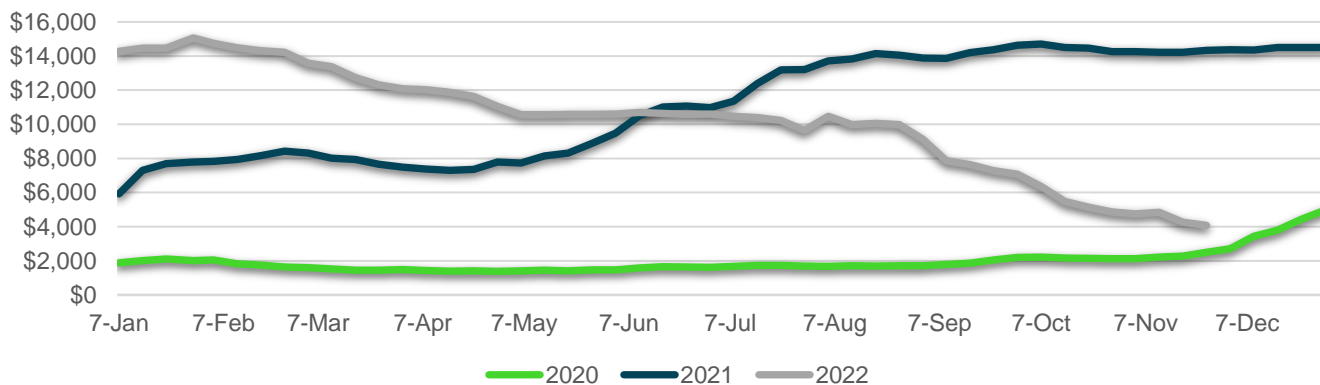
CHINA/EAST ASIA to US WEST COAST



CHINA/EAST ASIA to US EAST COAST



CHINA/EAST ASIA to NORTH EUROPE



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